

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

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In re : **Chapter 11 Case No.**
REPUBLIC AIRWAYS HOLDINGS INC., et al., : **16-10429(SHL)**

Debtors. : **(Jointly Administered)**

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**PERIODIC REPORT REGARDING VALUE, OPERATIONS, AND PROFITABILITY OF ENTITIES IN WHICH THE
DEBTORS' ESTATES HOLD A SUBSTANTIAL OR CONTROLLING INTEREST**

This is the report as of June 15, 2016 (the "Entity Report") on the value, operations and profitability of those entities in which the estates hold a substantial or controlling interest, as required by Federal Rule of Bankruptcy Procedure 2015.3. The estates of Republic Airways Holdings Inc. ("RAH") and its affiliated debtors and debtors in possession (collectively, the "Debtors") hold a substantial or controlling interest in the following entities:

Name of Entity	% Interest of the Estate	Direct Holder of Controlling Interest
Lynx Aviation, Inc.	100%	RAH
Republic Airline Inc. (Panama)	100%	RAH
Carmel Finance 2015, LLC	100%	Republic Airline

The Entity Report typically consists of three exhibits: (i) Exhibit A - a valuation estimate for the entity as of a date not more than two years prior to the date of the report and, a description of the valuation method used, (ii) Exhibit B - a balance sheet, a statement of income (loss), a statement of cash flows, and a statement of changes in shareholders' equity for the period, along with summarized footnotes, and (iii) Exhibit C - a description of the entities' business operations.

This Entity Report contains a balance sheet for the entities but does not contain a statement of income (loss), a statement of cash flows, or a statement of changes in shareholders' equity. The entities have no operations, no income or loss, no cash flows, and there have been no changes in shareholder equity for these entities within the reporting period.

The financial information included in this Entity Report is unaudited. Although management has made reasonable efforts to ensure that the financial information is accurate and complete based on information that was available to them at the time of the preparation, subsequent information may result in material changes to the information, and inadvertent errors or omissions may exist. Nothing contained in this filing shall constitute a waiver of any rights of the Debtors, specifically including the Debtors' right to amend the information.

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The undersigned, having reviewed the above listing of entities in which the Debtors' estates hold a substantial or controlling interest, and being familiar with the Debtors' financial affairs, verifies under the penalty of perjury that the listing is complete, accurate and truthful to the best of his knowledge.

Date

By: /s/ Joseph P. Allman

Name: Joseph P. Allman

Title: Senior Vice President and Chief Financial
Officer

(Principal Financial Officer)

Exhibit A

Valuation Estimate for Entities Held by Republic Airways Holdings Inc. and Affiliated Debtors

In millions of U.S. Dollars

Unaudited

The basis for the valuation of each entity is the net book value calculated as total liabilities of each entity subtracted from its total assets as of May 31, 2016. The book balances for the assets and liabilities of each entity are maintained based on historic cost as adjusted in accordance with the requirements of U.S. generally accepted accounting principles.

Name of Entity	Direct Interest of RAH	Net Book Value
Lynx Aviation, Inc.	100%	8.6
Republic Airline Inc. (Panama)	100%	—

Name of Entity	Direct Interest of RAH Subsidiary Republic Airline, Inc.	Net Book Value
Carmel Finance 2015, LLC	100%	—

Exhibit B

Non-Debtor Affiliates of the Debtors

Balance Sheets as of May 31, 2016

Unaudited

(In Millions)

	Lynx Aviation, Inc.	Carmel Finance 2015, LLC	Republic Airline Inc. (Panama)
ASSETS			
Assets:			
Intercompany lease receivable	\$ —	\$ 199.0	\$ —
Deferred income taxes	15.7	—	—
Total assets	<u>\$ 15.7</u>	<u>\$ 199.0</u>	<u>\$ —</u>
LIABILITIES AND STOCKHOLDER'S EQUITY			
Liabilities:			
Intercompany payable	\$ 7.1	\$ —	\$ —
Debt	—	199.0	—
Total Liabilities	<u>\$ 7.1</u>	<u>\$ 199.0</u>	<u>\$ —</u>
Stockholder's Equity:			
Common stock	—	—	—
Additional paid-in capital	\$ 35.3	\$ —	\$ —
Accumulated earnings	(26.7)	—	—
Total stockholder's equity	<u>8.6</u>	<u>—</u>	<u>—</u>
Total liabilities and stockholder's equity	<u>\$ 15.7</u>	<u>\$ 199.0</u>	<u>\$ —</u>

Notes to Exhibits B

Periodic Report Regarding Value, Operations, and Profitability of Entities in Which the Debtors' Estates Hold a Substantial or Controlling Interest

The financial statements contained in the Entity Report are unaudited. While management of the Debtors and their affiliates has made every reasonable effort to ensure that these financial statements are accurate and complete based upon information that was available at the time of preparation, the subsequent receipt of information may result in material changes in the data contained in these financial statements, and inadvertent errors or omissions may exist. To the extent the Debtors discover additional information that may differ materially from the information set forth in the financial statements contained herein, the Debtors may amend, supplement or otherwise modify this Entity Report to reflect such changes. Accordingly, the Debtors reserve all rights to amend, supplement or otherwise modify this Entity Report as they deem necessary or appropriate.

1. Reservation of Rights. Nothing contained in this Entity Report shall constitute a waiver of any of the Debtors' rights or an admission with respect to their chapter 11 cases including, but not limited to, matters involving objections to claims, substantive consolidation, equitable subordination, defenses, characterization or re-characterization of contracts, assumption or rejection of contracts under the provisions of title 11 of the United States Code (the "Bankruptcy Code") or causes of action under the provisions of chapter 5 of the Bankruptcy Code or any other relevant applicable laws to recover assets or avoid transfers.

2. Basis of Presentation. The accompanying unaudited financial information presented on Exhibit B represents the financial position (the "Financial Information") of the nondebtor entities in which the Debtors hold a substantial or controlling interest (the "Reporting Entities").

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date the financial statements, as well as the reported amounts of revenues and expenses during the reporting period. Actual amounts and results could differ from those estimates.

The Financial Information contained herein was not intended to reconcile to any financial statements otherwise prepared or distributed by the Debtors or any of the Debtors' affiliates. Significant efforts have been put forth to attribute the assets and liabilities to the proper legal entity. However, because the Debtors' accounting systems, policies, and practices were developed with a view to producing consolidated reporting, rather than by legal entity, it is possible that certain assets or liabilities may have been recorded in the books and records of one legal entity when they are owned by another. Accordingly, the Debtors reserve all rights to supplement or amend any financial statements contained in this Entity Report.

Moreover, given, among other things, the uncertainty surrounding the collection and ownership of certain assets and the valuation and nature of certain liabilities, to the extent that a non-debtor entity shows more assets than liabilities, this is not an admission that the non-debtor entity was solvent as of any particular date. Likewise, to the extent that a non-debtor entity shows more liabilities than assets, this is not an admission that the non-debtor entity was insolvent as of any date.

The accompanying Financial Information does not include all footnotes and certain financial presentations normally required by U.S. generally accepted accounting principles.

**Description of Operations for Entities with a
Substantial or Controlling Interest Held by the Debtors**

Name of Entity**Description of Business**

Lynx Aviation, Inc.

Lynx Aviation, Inc. ("Lynx") was the regional airline of Frontier Airlines, Inc. Prior to its acquisition by RAH, Lynx operated aircraft under the Frontier airline brand. RAH acquired Frontier Airlines and Lynx as wholly owned subsidiaries in 2009, and sold the Frontier airline operations in 2013. Lynx presently has no operations or cash flow.

Carmel Finance 2015, LLC

Carmel Finance 2015, LLC ("Carmel") was formed as a subsidiary of Republic Airline Inc. for the purpose of financing acquisition of aircraft. Carmel presently owns title to nine aircraft that it then leases to Republic Airlines Inc. and it is anticipated that Carmel will purchase the title to additional new aircraft and then lease these aircraft to Republic Airlines Inc. for use in the Company's capacity purchase agreements in the future.

Republic Airline Inc. (Panama)

Republic Airlines Inc. (Panama) was formed as a subsidiary of RAH to satisfy the requirement that Republic maintain operations in Panama in order to service Tocumen International Airport in Panama City, Panama. The company is presently dormant, with no operations or cash flows.